

INTERNATIONAL BUSINESS NEWS – FEBRUARY 2005

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CARLOS GUTIERREZ CONFIRMED AS SECRETARY OF COMMERCE

On January 24, 2005, the Senate confirmed Carlos Gutierrez to be America's next Secretary of Commerce, replacing Donald Evans. Carlos Gutierrez is one of America's most respected business leaders. As CEO of the Kellogg Company, he has been an effective, visionary executive. He understands the world of business from the first rung on the ladder to the very top. He knows exactly what it takes to help American businesses grow and create jobs. Carlos will carry on the work of a distinguished leader, former Secretary Don Evans. During the past four years, our economy has overcome a recession, terrorist attack, corporate scandals and the uncertainty that comes with war. In all these challenges, Secretary Evans has been a strong and steady advocate for America's businesses and workers and entrepreneurs. For more information, about Mr. Gutierrez's nomination, go to <http://www.whitehouse.gov/news/releases/2004/11/20041129-2.html>.

MOROCCO – MARKET OF THE MONTH

Strategically located along the Straits of Gibraltar, Morocco is a regional hub for transportation, transit, and business. Morocco is an expanding economy strategically situated at the crossroads of Europe, the Middle East and Africa. Morocco's developing infrastructure makes it an increasingly important and attractive location for business. With the implementation of the U.S.-Morocco Free Trade Agreement (FTA), opportunities for U.S. companies in Morocco will continue to expand.

Best Prospects in Morocco for U.S. Exporters

- Waste Water Treatment
- Tourism Support Services
- Engineering and Consulting Services
- Solid Waste Management
- IT Wireless & Internet
- Airport Ground Support Equipment
- Security & Safety Equipment & Services
- Automotive after market equipment
- Low Cost Housing
- Education

To visit our Commercial Service Web page for Morocco go to www.buyusa.gov/morocco.

FOREIGN SALES CORPORATION (FSC) GUIDANCE From DOC Insider

On January 31, the EU Council of Ministers approved a repeal of the FSC tariffs. (Council Regulation (EC) 171/2005)

Removal of the sanctions is retroactive to January 1, 2005.

The EU has kept the condition that it could re-impose punitive tariffs if the WTO supports its complaint about tax breaks remaining in US legislation still being WTO-incompatible. A WTO finding in the case is not expected until the fall of this year.

We do not yet have information on how the repeal will actually be applied (i.e. timing of reimbursement for duties paid, etc.)

Background regarding re-imposition of tariffs:

The European Commission is unhappy with the transition/grandfathering provisions in the U.S.'s new law abolishing the FSC/ETI tax incentives. The Commission intends to take the case back to the WTO and ask for a ruling that the changes are not consistent with the original WTO panel decision that the FSC/ETI arrangement violated the WTO ruling. The grandfathering provisions only leave in place about one percent of the benefits from the FSC/ETI legislation, and most of the remaining benefits will be phased out over two years.

Council Regulation (EC) 171/2005 suspends current sanctions being applied against U.S. exports in the FSC dispute, but indicates that sanctions will be automatically re-imposed at a level of 14 percent on a somewhat reduced list of products on January 1, 2006, or 60 days after a WTO panel rules that the recent FSC repeal legislation falls short of WTO consistency, whichever is later.

PROTECTING TRADEMARKS, DESIGNS AND PATENTS IN THE EUROPEAN UNION

U.S. patents and trademarks do not provide industrial property (IP) protection outside the United States territories. Exporters targeting IP rich products and services at the European Union (EU) market therefore need to secure their IP locally. To learn about registering trademarks and filing patents in the European Union, contact us for a copy of the 5-page report "Protecting Trademarks, Designs and Patents in the European Union."

**U.S. IMPORT STANDARDS
Louis Santamaria, Mexico City
U.S. Commercial Service
Ileana Martinez**

National Institute of Standards and Technology

On occasion, the overseas offices of the U.S. Commercial Service receive, from companies and/or governments, requests for information about U.S. standards and mandatory regulations required for getting their products into the U.S.

The following was provided by NIST – Ileana Martinez to help us respond to those requests.

- o All products entering the United States must meet the applicable mandatory regulations. These mandatory requirements are the same regardless of where the product originates and they apply equally to products made in the United States for national use.
- o Voluntary standards must be met when the buyer or importer or distributor requires it. As a matter of good practice, it may be useful to comply with voluntary standards but they are not required for entry.
- o Trade agreements do not have any incidence in the mandatory regulations and/or voluntary standards that products must meet for the U.S. market.

Information on what U.S. mandatory regulations and/or voluntary standards are applicable to any product may be obtained from

National Center for Standards and Certification Information (NCSCI)

National Institute of Standards and Technology
Bldg. 820, Room 164
Gaithersburg, MD 20899
Telephone: (301) 975-4040
Fax: (301) 926-1559
E-mail: ncsci@nist.gov
Home page: <http://ts.nist.gov/ncsci>

This information is provided free of charge. Mandatory regulations are also available without cost but most voluntary standards must be purchased and NCSCI provides a list of vendors.

**U.S. GOES TO WTO IN DISPUTE WITH EU
OVER RICE IMPORTS TO EUROPE
TARIFF CONCESSION ON CERTAIN EU GOODS
MAY BE WITHDRAWN, U.S. SAYS**

The United States announced January 28 that it has notified the World Trade Organization (WTO) of its intent to withdraw certain tariff concessions because it has not reached agreement with the European Union (EU) over access to the European rice market.

A press release by the Office of the U.S. Trade Representative (USTR) points out that the EU unilaterally decided last September to change its rice import system by raising tariffs on brown rice imports.

The new system unfairly limits the access of American rice farmers to the European market, affecting U.S. brown rice exports valued at approximately \$33 million a year, it says.

Because the United States and the EU were not able to resolve the issue despite months of negotiations, the United States, under WTO rules, has the right to raise tariffs on products of which the EU is the dominant supplier in order to compensate for the higher EU tariff.

Contact us at little.rock.office.box@mail.doc.gov, or 501-324-5794 (7380 fax) for a copy of the press release.

**U.S. DEPARTMENT OF COMMERCE AND
INTERNATIONAL FINANCE CORPORATION
RELEASE RUSSIA CORPORATE
GOVERNANCE MANUAL**

Contact: Scott Dunaway - (202) 482-5807

The U.S. Department of Commerce and International Finance Corporation (IFC) have released "The Russia Corporate Governance Manual." It will serve as a comprehensive guide to implementing good corporate governance practices in Russia. Superior corporate governance contributes to the operational efficiency, reputation and competitiveness of a company. It helps to facilitate access to capital markets and to reduce financial risks. "The Russia Corporate Governance Manual" will serve as a practical tool for companies to accomplish these goals. Intended for those involved in control of Russian open joint stock companies, the manual focuses on core corporate governance issues, with emphasis on Russian business practices. It offers practical tools and provides Russian government officials with an agenda for policy reform.

The manual is published in both English and Russian, and is available at <http://www.ita.doc.gov/goodgovernance> and www.ifc.org/rcgp.

**ONE-YEAR MULTIPLE ENTRY VISA
BETWEEN U.S. AND CHINA**

As of January 25, a new agreement between the United States and China allows tourists and business executives to travel between the U.S. and China under a single visa for 12 months instead of seeking new visas for each trip. The change in policy is expected to dramatically improve U.S. manufacturers' abilities to sell goods and services to their customers in China and create jobs for Americans, according to U.S. House of Representatives Small Business Committee Chairman Don Manzullo. For details, go online at www.house.gov/smbiz/

IMPORTING NEWS: COMPLIANCE DATE FOR IMPLEMENTATION OF FAST CARD REQUIREMENT FOR BRASS SHIPMENT DRIVERS BEGINS MAY 1

Friday, January 28, 2005 - WASHINGTON, D.C.— Today, U.S. Customs and Border Protection (CBP) extended the compliance date for implementation of the Free And Secure Trade (FAST) Card requirement for Border Release Advance Screening and Selectivity (BRASS) shipment drivers to May 1, 2005. The enforcement date, for this component of the Trade Act of 2002 requirements, was scheduled to begin on January 31, 2005, for the first group of 40 ports.

The BRASS program is an automated system designed to expedite the processing of certain repetitively shipped products. BRASS is a voluntary system that requires the entry filer to submit an application for participation to Customs identifying required information. Shipper/manufacturers, importers, entry filers and products, in combination, must be approved to participate in BRASS. Approved participants are assigned a unique identifying code for use in BRASS transactions.

As a temporary accommodation for the Trade Act of 2002, which requires the advance transmission of electronic cargo information, CBP allowed truck carriers carrying BRASS merchandise to only utilize drivers who are registered under the FAST program and carrying a FAST driver card. To participate in the FAST program, drivers must undergo a background check and be admissible to the U.S. and Canada. If approved, the driver is issued a FAST driver card, which provides such benefits as expedited processing and the use of a dedicated FAST lane where available.

For BRASS shipments being imported from Mexico, the driver must have in his possession a valid FAST card and be admissible into the United States.

CBP has been conducting an extensive marketing and outreach since the spring of 2004 informing both carriers and commercial truck drivers of this new requirement. During the months of December 2004 and January 2005, 20,000 FAST commercial driver applications have been submitted.

The surge in FAST driver applications has exceeded the capacity of the FAST processing center to process the applications leading to delays and backlogs in the application process. In addition, there are approximately 15,000 conditionally approved drivers that have not completed the interview process to receive their cards. Based on the size of the backlog of applications CBP will delay the enforcement of this requirement.

The FAST Processing Center and enrollment centers will be provided assistance to eliminate the backlog and process the applications within 90 days. For all affected ports, CBP will begin enforcement of the FAST card requirement for BRASS shipments on May 1, 2005.

The ports of Eastport, Idaho; International Falls and Grand Portage, Minnesota; and Jackman, Maine, continue to be exempted until publication of a Federal Register Notice.

Trucks that arrive at the affected ports between January 31, 2005, and May 1, 2005, with BRASS shipments and are operated by a driver that does not possess a valid FAST driver identification card will continue to receive informed compliance notices.

For more information and a list of the 40 ports affected, go to [Truck FAQs on the Trade Act of 2002 - Mandatory Advanced Electronic Cargo Information](http://www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/) at http://www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/

WOOD PACKAGING MATERIAL REQUIREMENTS UPDATED JANUARY 2005

The U.S. Department of Agriculture, Foreign Agricultural Service recently updated country specific wood packaging material requirements: http://www.fas.usda.gov/ffpd/WTO_SPS_TBT_Notifications/Forest_Products/WPM_Summary_Table_01-12-05.pdf

ASIA NOW – FREE NEWSLETTER

The U.S. Commercial Service's "Asia Now" program brings together the resources of the U.S. Commercial Service offices in 14 Asian countries and our Export Assistance Centers throughout the U.S. to help U.S. companies export goods and services in the region. The Asia Now/e-News website gives you a single point of access to regional trade events, our extensive trade services, and research covering Asian markets. Asia Now e-News is a free monthly newsletter full of useful information and trade leads for U.S. exporters who want to increase their sales in the Asia-Pacific region. To access the January 2005 issue of e-News and to register for a free subscription, please click on <http://www.buyusa.gov/asianow/enews.html> and complete the one-page subscription form.

USEFUL WEB SITES

Denied Persons List - Unverified List - Entities List Specially Designated Nationals List - Debarred List

Check these lists before completing your export transaction at: <http://www.bis.doc.gov/ComplianceAndEnforcement/index.htm#LTC>.

U.S. Commercial Service Free Trade Lead Database

View announcements from qualified international companies looking to source U.S. products and services and advertise government tender projects through our trade leads database. All of our trade leads are pre-screened by our U.S. embassy or consulate staff overseas and are provided as a free service for U.S. exporters. Go to http://www.export.gov/comm_svc/tradeleads/tradeleads.html. You will be asked to register the first time you use the database.

AES Direct

AESDirect is the U.S. Census Bureau's free Internet based system for filing Shipper's Export Declaration (SED) information to the Automated Export System (AES). It is the electronic alternative to filing a paper SED, and can be used by U.S. Principal Parties in Interest (USPPIs), forwarders, or anyone else responsible for export reporting.

AESDirect significantly streamlines the export reporting process by reducing the paperwork burden on the trade community, reducing costly document handling and storage, and ensuring that export information is filed in a timely manner. AESDirect improves the quality of the export trade statistics, helping the Census Bureau provide the Government and the public more accurate information. For more information go to <http://www.aesdirect.gov>

The Global Trade & Technology Network:

The International Business Linkages has public website for the Global Trade & Technology Network (GTN) program. The GTN program with a network of representatives in developing countries enables buyers and suppliers to access international markets using its internet-based trade lead portal. GTN is funded by the U.S. Agency for International Development (USAID). Visit the website at <http://www.usgtn.net> or contact Peter Fleischmann, U.S. Outreach Coordinator, by phone at 908-668-1865 or by e-mail at pfleischmann@NOSPAM.usgtn.net

Phonebook of the World

With Phonebook Of The World.com you can click on a section of the world map and then type in the name of a business or person whose number you want to find. This is the easiest way to locate a phone number internationally, and it is cheaper and takes up less space than a stack of phone directories. Click here: <http://www.phonebookoftheworld.com>

UPCOMING EVENTS

U.S. Export Control Seminar - Kansas City March 8-9, 2005

The U.S. Department of Commerce, Bureau of Industry and Security (BIS), the International Trade Club of Greater Kansas City, Inc. (ITC) and the Kansas City U.S. Export Assistance Center are pleased to bring "Complying with U.S. Export Control Seminar" to Kansas City, MO on March 8 & 9, 2005. This two-day program is led by BIS's professional counseling staff and provides an in-depth examination of the Export Administration Regulations (EAR). The program will cover the information exporters need to know to comply with U.S. export control requirements on commercial goods. For more information on this program and to register, please go to: <http://www.buyusa.gov/kansascity/bisprogram.html>

Meet the Buyers Trade Mission –April 26-29, 2005 Toronto and Montreal, Canada

The trade mission will enable U.S. manufacturers of hardware, home improvement products, lawn and garden equipment and building products establish commercial relations and sell their products in Canada's hardware and home improvement retail market.

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Rebuild Iraq 2005 April 4-7, 2005, Amman, Jordan

For more information, please visit the event website: <http://www.rebuild-iraq-expo.com/>
For information on exhibiting in the USA Pavilion, please contact Bechara Nacouzi at tel. (514) 685-3530 or by e-mail at: bnacouzi@videotron.ca

For a copy of the latest Business Guide for Iraq go to: http://www.export.gov/Iraq/bus_climate/businessguide_current.html

A TRAGIC LOSS

The Commercial Service Office in Istanbul announces with sorrow the loss of Foreign Service National Ezgi Özen Gümüšoğlu on December 26, 2004 in the tsunami disaster in Phuket, Thailand. Ezgi had traveled to Phuket for her honeymoon, following her marriage to Çetin Gümüšoğlu the week before. Ezgi began her career with the U.S. Commercial Service in 1999, at the time of the Izmit earthquake near Istanbul. A graduate of Boğaziçi University, she came to her job with degrees in mechanical engineering and environmental technology, and practically flawless English. She assumed responsibility for several critical industry sectors, including agricultural machinery, construction equipment, and especially environmental protection and pollution control, a cause that she passionately believed in. In October 2003, Ezgi's success in bringing U.S. environmental technology to Turkey was recognized with an award for superior performance. We are certain that Ezgi would have achieved even greater successes if fate had been kinder to her. The U.S. Commercial Service extends its condolences to Ezgi's family and her husband.

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement. If you have any questions or comments, contact us at

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